



**THE FACTORS THAT CONTRIBUTE CLAIMS  
TOWARDS MOTOR INSURANCE**

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Thank you.

Your Sincerely,

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# **The Factors That Contribute Claims Towards Motor Insurance**

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## **Abstract**

The subject matter of this project paper is on the "Factors that contribute Claims towards Motor Insurance. The issues of claims towards motor insurance had been investigated over the time. As a result, it show that road accident is one of the major causes of the death and injuries in Malaysia. Besides that, the road accident also has a relationship with motor insurance claims which is growing of total road accident will be increasing the claim on the motor insurance. The research is conducted to study the level of claims and the factors that contribute the claim towards motor insurance. The factors that contribute and effect claims can be measure through some criteria such as vehicle design, speed of operation, road design and driver behavior. The result from the finding indicates that most of respondents have been involved in road accident and also make claims due to the accident. Furthermore, the result of the research also show that the major factors that contribute claims towards motor insurance is speed of the vehicle which the most important factor that lead to the road accident. As a conclusion, the result of this study to provide information for Insurance Association regarding the factors which increase the claims on motor insurance and for underwriter to build coverage on the policy for the Insured according to the problem occurs.

**Keyword:** Factors that contribute claims towards Motor Insurance

**Paper types:** Research Paper

# **CHAPTER 1**

## **INTRODUCTION**

### **1.1 Background of Motor Insurance**

Motor Insurance also known as auto insurance, car insurance or vehicle insurance which is insurance that purchased for motorcycle, car, truck, and other vehicles. Motor insurance primary use is to provide protection against losses incurred as a result of road accident and against liability that could be incurred in an accident. There are three common types of motor insurance available which are Third Party Only, Third Party Fire and Theft, and Comprehensive Motor Insurance.

#### **1.1.1 The main types of motor insurance cover:**

##### **a) Third Party Only**

Third party is the minimum legal level of insurance. The Third Party Only motor insurance policy provides the minimum cover required by the law that is third party liability risks, thus giving rise to the name. Under this coverage, drivers of motor vehicles have to buy motor insurance to ensure that drivers can meet their liabilities if they injure or cause the death of other people in an accident. It means that if Insured cause an accident, the cost of damage to other vehicles is covered. Third Party Only motor insurance policies are rarely purchased as the insurance protection is quite limited. Third party insurance covers the liabilities in respect of injuries and damage of other property.